

Exh. NU-6

NORTHERN UTILITIES, INC.

DG 09-239

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DATA REQUESTS FROM COMMISSION STAFF - SET #2 -

PETITION TO ISSUE SECURITIES

Date Request Received: 12/22/09

Date of Response: 12/23/09

Request No. Staff 2-3

Witness: David Chong

**Request:**

Reference Attachment 1 of response to Staff 1-3. Pending receipt of cash from the proposed bond issuance and equity infusion, short-term debt balances exceed 10% of net fixed plant as of December 31, 2010. Is the Company seeking approval of interim short-term debt borrowing limit? If so, what is the dollar amount and what does that represent as a percentage of net utility plant?

**Response:**

Northern is requesting an interim short-term debt limit of \$60 million. This interim short-term limit would represent 35% of net plant excluding acquisition premium as of October 31, 2009.

After the closing of the long-term financing, anticipated in early March 2010, and the concurrent equity contribution, Northern requests a limit as proposed in its supplemental testimony filed December 21, 2009. First, for the 30% factor of fuel cost component, Northern filed in New Hampshire an updated Anticipated Cost of Gas schedule (Forty-fifth Revised Page 38) on December 22, 2009 which reflects total cost of gas of approximately \$29.7 million (a \$1.6 million decline from the \$31.3 million provided in the supplemental testimony). Additionally, in the supplemental testimony, the Maine cost of gas was inadvertently excluded. In Maine Docket 2009-250 (sixth revised page no. 60.1) dated October 29, 2009, Northern filed a total cost of gas of approximately \$24.5 million for the period November 1, 2009 through April 30, 2010. Therefore, the revised short-term debt limit for fuel financing purposes should be calculated based on the New Hampshire cost of gas of \$29.7 million plus the Maine cost of gas of approximately \$24.5 million for a total of \$54.2 million. A 30% factor applied to this would result in a short-term debt limit of \$16.3 million.

The other requested short-term debt limits (10% of net utility plant reconciled monthly and the exclusion of fuel inventory from short-term debt) have not changed from what was proposed in the supplemental testimony filed December 21, 2009. Assuming a December 31, 2010 net plant excluding acquisition

premium of \$184.1 million, the 10% net plant limit would be \$18.4 million. The total short-term debt limit including the 30% fuel cost factor and the 10% net utility plant limit would be \$34.7 million.